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SUBJECT: SENATOR LISA MURKOWSKI MEETS WITH NPC FOREIGN
AFFAIRS COMMITTEE CHAIRMAN JIANG ENZHU

¶1. During a January 13 meeting at the Great Hall of the People Senator Lisa Murkowski and National People's Congress (NPC) Foreign Affairs Committee Chairman Jiang Enzhu discussed economic development, energy and commercial protection issues. China plans to double its 2000 GDP by 2010 and to quadruple it by ¶2020. The central government will continue major infrastructure investments in the western region of China for the foreseeable future. China continues to welcome foreign investment from the United States particularly in energy, environmental technologies and high technology. Legal protection of foreign investors and intellectual property is a priority for Beijing. End Summary.

Economic Development

¶2. NPC Foreign Affairs Committee Chairman Jiang Enzhu gave Senator Murkowski a brief introduction of China's economy and outlined China's development goals for the 11th Five-Year Plan (2006-2010). The Chairman explained that the initial planning for the 11th Five-Year Plan has been completed and that the roadmap will be discussed at the upcoming 4th plenary session of the NPC to be held in Beijing in March. China's development goal for the plan is to double its GDP from the 2000 level to USD 2 trillion. The long-term plan is to quadruple its 2000 GDP to USD 4 trillion, by 2020 (Note: This is an implied average annual economic growth rate of 7 percent), raising the per capita GDP to USD three thousand, Chairman Jiang added. Chairman Jiang used these development goals to underscore China's need for peaceful cooperation with all nations, particularly the United States.

Developing the West

¶3. Senator Murkowski thanked Chairman Jiang for his informative talk and asked if he could provide more information on plans to develop China's western region. Jiang explained that 12 provinces make up China's western region, which account for one third of its population. However, the region represents a much lower percentage of the country's national output, he noted. The central government plan calls for support for the local ecology, major investments in infrastructure and preferential support for regional industries. To evidence the effect of central government support for the West Jiang noted that Tibet's economy grew at 12 percent in 2005.

Foreign Investment Opportunities

¶4. Responding to a question, Chairman Jiang noted that China is very welcoming to foreign investment, particularly U.S. investment. U.S. companies have already invested over USD 50 billion in China making it the largest single investor in China, he added. American companies are very successful in many markets throughout China, particularly in the automotive, environmental protection and civil aviation fields. Future cooperation in clean coal technologies and water resource development are two areas where China very much needs U.S. investment and cooperation, Jiang stressed.

Energy

¶5. The next Five-Year Plan calls for energy usage per dollar of output to be reduced by 20 percent, Chairman Jiang said. American companies are among the most efficient in the world at energy use per dollar of GDP generated and China is very welcoming of investments in the field of energy efficiency. China also plans to increase nuclear energy production to forty million kilowatts. The United States is already a leader in the field of nuclear energy and cooperation with companies like Westinghouse will play an important role in China's nuclear development plan.

Commercial Legal Protections and IPR

¶6. Responding to a question, Jiang stated that

BEIJING 00001059 002 OF 002

protection of the rights and interests of foreign investors is very important to Beijing. China has revised 3000 laws and economic regulations as a result of its accession to the World Trade Organization, he added. Intellectual property protection is critical to China's push toward more science and technology based economic development. Over the past year 3000 criminal IPR case have been filed in China, 2600 of which were closed leading to the arrest of 5000 people and the destruction of 12 illegal production lines. However, China is still a developing nation and it can be expected that it will place less emphasis on intellectual property protection than developed high-tech economies like the United States, Jiang observed.

¶7. Participants:

U.S. Side

Senator Lisa Murkowski
Ambassador Clark T. Randt, Jr.
Isaac Edwards, Legislative Assistant
Caroline Katzin, Special Assistant to the Ambassador
Embassy Control Officer
Embassy Notetaker
Interpreter

Chinese Side

National People's Congress Foreign Affairs Committee
Chairman Jiang Enzhu
Lu Congmin, Vice Chairman, NPC Foreign Affairs Committee
Jiang Duan, DDG NPC Foreign Affairs Committee
Hong Yingchun, DDG NPC Foreign Affairs Committee Administration
Shi Longzhuang, MFA American Affairs Department Counselor
Liu Youfa, Counselor Chinese Embassy in Washington

D.C.
He Rulong, Interpreter

¶8. CODEL Murkowski did not clear this cable.
Randt